

# EXHIBIT A

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2014**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_**

Commission File Number: **001-12421**



**NU SKIN ENTERPRISES, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation  
or organization)

**75 WEST CENTER STREET  
PROVO, UT 84601**

(Address of principal executive offices, including zip code)

**87-0565309**

(IRS Employer Identification No.)

**(801) 345-1000**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 30, 2014, 58,949,802 shares of the registrant's Class A common stock, \$.001 par value per share, were outstanding.

**Revenue**

Greater China. The following table sets forth revenue for the three-month periods ended March 31, 2014 and 2013 for the Greater China region and its principal markets (U.S. dollars in millions):

	2014	2013	Change
Mainland China	\$ 212.2	\$ 119.7	77%
Taiwan	35.8	32.1	12%
Hong Kong	30.9	19.0	63%
Greater China total	<u>\$ 278.9</u>	<u>\$ 170.8</u>	63%

Foreign currency exchange rate fluctuations positively impacted revenue in this region by 2% during the three-month period ended March 31, 2014.

Year-over-year revenue and sales force growth in the Greater China region was driven by interest in our opportunity and strong product portfolio. The final phase of our initial limited-time offers of *ageLOC TR90* in the Greater China region generated approximately \$15 million in revenue in the first quarter of 2014. We currently plan to introduce our *ageLOC Tru Face Essence Ultra* anti-aging skin care serum through a limited-time offer in Mainland China in the second and third quarters of 2014. Regional limited-time offers of *TR90* and *ageLOC Tru Face Essence Ultra* in Hong Kong and Taiwan are also currently planned for the second and third quarters. Sales Leaders and Actives in Mainland China increased 45% and 14%, respectively, compared to the prior-year period. Sales Leaders and Actives in Taiwan were up 10% compared to the prior year. Sales Leaders and Actives in Hong Kong were up 68% and 53%, respectively, compared to the prior year.

Adverse media reports and government investigations, and our voluntary suspension of business promotional meetings and applications for new sales representatives in Mainland China had a significant negative impact on our revenue and number of Sales Leaders and Actives in this region during the first quarter, with Sales Leaders and Actives declining 49% and 38% sequentially. At the conclusion of the regulatory investigations by the Administrations of Industry and Commerce in Shanghai and Beijing in March 2014, Nu Skin China was penalized in the amount of US \$524,000 (RMB 3.26 million) for the sale of certain products by individual direct sellers that, while permitted for sale in Nu Skin China's retail stores, were not registered for the direct selling channel. Nu Skin China was also fined US \$16,000 (RMB 100,000) for product claims that were deemed to lack sufficient documentary support. We understand that six of our sales employees were also fined for unauthorized promotional activities in an aggregate amount of US \$241,000 (RMB 1.50 million). In addition, Nu Skin China was asked to enhance the education and supervision of its sales representatives and is currently in the process of implementing these enhancements. We recently resumed corporate-hosted business meetings and acceptance of applications for new sales representatives. Any unanticipated delays, complications or other difficulties in resuming normal business operations could further impact our business negatively. As we have not previously undertaken such a lengthy suspension of business promotional meetings and applications for new sales representatives, there is some uncertainty regarding how our sales force will respond to the resumption of these activities and what impact adverse publicity and these voluntary actions will have on our business going forward.